



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

ROBERT W. SWANSON
DIRECTOR

OFFICIAL

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Bureau of Workforce Programs (BWP)
Policy Issuance (PI): 06-12

Date: September 26, 2006

To: Michigan Works! Agency (MWA) Directors

From: Brenda C. Njiwaji, Director, Bureau of Workforce Programs (**Signed**)

Subject: Establishment of Labor/Management Committees, also known as Joint Adjustment Committees (JACs) at sites of facility closures and mass layoffs.

Programs Affected: Workforce Investment Act (WIA)

Rescissions: None

References: The WIA of 1998
20 CFR Part 652 et al

Background: The WIA describes Statewide Rapid Response Activities that may be provided by the state or an entity designated by the state. The WIA Final Rules and Regulations includes in these activities the guidance and/or financial assistance in establishing a labor-management committee voluntarily agreed to by labor and management. Such committees may devise and oversee an implementation strategy that responds to the reemployment needs of the workers. Specific assistance to committees may include:

- 1) Funding the operating costs of a committee to enable it to provide advice and assistance in carrying out Rapid Response activities and in the design and delivery of WIA-authorized services to affected workers.
- 2) Providing a list of potential candidates to serve as a neutral chairperson of the committee.

While WIA regulations do not specifically require a neutral chairperson to head a labor/management committee, it has been State practice to utilize such a position to ensure the committee process operates smoothly. State expenditure of WIA funds for the operation of labor-management committees (JACs) has been limited to covering the costs of the neutral chair.

The BWP will continue to provide funding for a neutral chairperson in situations where members of established committees agree to utilize this format to facilitate the committee process. However, the BWP also encourages businesses to form labor/management committees at companies slated for closure or reduction in force where it has been determined that a significant number of employees will be impacted and workers will benefit from the establishment of a labor/management committee. The BWP will provide staff support, to the extent possible, for committee activities in these situations. Labor/management committees may be established at any point during the plant closing or downsizing process.

Policy: The BWP will support the establishment of labor/management committees at sites of facility closures and downsizing where representatives from management and labor have agreed to operate a committee without a neutral chairperson. The BWP will provide, to the extent possible, staff support to serve as technical advisors to established committees. MWAs may elect to participate in labor/management committees by providing staff to support committee activities and other assistance requested by committee members.

Action: MWAs may elect to participate in the operation of labor/management committees by providing staff to support committee activities at sites of closures or downsizing where a committee has been established to assist affected workers. MWAs may also request designated funding to support a neutral chair if desired by the labor/management committee.

Inquiries: Questions regarding this PI should be directed to Ms. Deborah Hennessey at (517) 335-1943, or by e-mail to hennesseyd@michigan.gov.

In accordance with the Americans with Disabilities Act, information contained in this PI will be made available in alternative format (large type, audio tapes, etc.) upon written requests received by this office. It is also available for transmission on the e-mail system. Call Ms. Pamela Vance, at (517) 373-6234, for details.

Expiration: None.

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